



SAFECO PROPERTY & CASUALTY INSURANCE COMPANIES

American Economy Insurance Company  
Safeco Insurance Co.  
P.O. Box 5373  
Poland, Oh 44514

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Mailing address:  
P.O. Box 5373  
Poland, Oh 44514

February 11, 2004

Walter Beck Corporation  
Po Box 362  
Lewis Run, PA 16738

Insured Name: Walter Beck Corporation  
Policy Number: 02CC771900  
Loss Date: December 5, 2003  
Claim Number: 521474522015

Dear Mr. and Mrs. Harold Beck:

Based upon the fact that your restaurant facility did not have the required fire suppression system we will be unable to cover your fire loss of December 5th 2003. You are required to not only have but maintain a fire suppressions system. The cp-7586 6/93 form requires you have and maintain this system on a Quarterly basis. You indicated to me this was removed in 1996 or 1997 and never replaced. Please refer to the policy language below:

**"P-8" Commercial Cooking Protection - A U. L.**

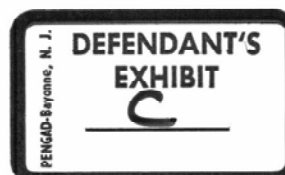
listed automatic fire suppression system installed for the protection of cooking and ventilating equipment, including plenums, exhaust ducts and hood over cooking appliances. The suppression system must be serviced by an independent contractor on a Quarterly basis. The ventilating system, including plenums, exhaust ducts, roof vent and hood over cooking appliances must be cleaned by an independent contractor on a Quarterly basis.

**"P-9"** The protective system described in the Schedule.

2. The following is added to the EXCLUSIONS section of:

CAUSES OF LOSS - BASIC FORM  
CAUSES OF LOSS - BROAD FORM  
CAUSES OF LOSS - SPECIAL FORM  
STANDARD PROPERTY POLICY

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**MORTGAGE HOLDERS E & O COVERAGE FORM**

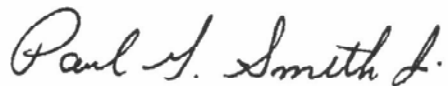
We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- a. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

This declination is made without prejudice to the rights of Safeco Insurance Company, which does not waive any of its rights or defenses, but to the contrary, Safeco Insurance Company specifically reserves all rights and defenses available under the policy of insurance and the applicable law, including such other further defenses as continuing investigation may reveal.

Sincerely,



Paul Smith Jr.  
Safeco Insurance Co.  
American Economy Insurance Company  
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pausmi@safeco.com